

Derailing a Consensus on Trade

By Sander Levin

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The House Republican leadership says it will hold a vote tomorrow on its fast-track trade authority proposal. The Republicans do not have enough votes, even with the latest arm-twisting, side deals and cosmetic changes. But even if they did manage to eke out a narrow majority, it would be a Pyrrhic victory, coming without the broad bipartisan foundation needed to negotiate effectively with our trading partners.

Rank-and-file members of the House are probably closer to a bipartisan consensus on trade than at any time in recent years. Unfortunately, the administration and the House Republican leadership continue to view trade as a clash of interests -- big labor vs. big business -- or as a polarizing issue on which everyone is either a "free trader" or "protectionist."

In fact, opposition to the House leadership bill is led by members who support expanded trade and have helped craft and pass every key trade bill of recent years, including those governing relations with China, Africa and the Caribbean and Jordan.

The basic problem lies in the different perspectives among supporters of expanded trade. Trade has changed. There has been a dramatic increase in its volume and its value. It increasingly involves nations with very different economic structures from ours. And "trade" policy and negotiations now involve virtually every area of what used to be considered U.S. domestic law -- from antitrust and food safety to telecommunications.

The important disagreement is between those who believe trade policy must be updated to address this changed landscape and those who think there is little or no need to shape the terms of trade, because more trade is always better no matter what.

This is the division behind the dispute over how to handle labor and environmental standards in trade negotiations. Some deny the relevance of these matters to international competition, characterizing them as "social issues." Yet they are controversial precisely because of their economic content, as Sen. Trent Lott and others showed when they expressed their concern this year over foreign catfish producers gaining an advantage through "cheap labor and very loose environmental regulations."

The alternative fast-track bill presented by Rep. Charles Rangel (D-N.Y.) and House Democrats sets forth realistic and effective negotiating objectives for both labor and environmental standards. It builds on the successful incorporation of these issues in recent accords, such as the Jordan Free Trade Agreement and the Cambodia textile and apparel agreement.

The Rangel bill includes rules on the use of child labor, on the freedom of workers to associate and bargain collectively and on slave labor (which would, of course, be forbidden). The operation of a free labor market based on these rules is of mutual benefit in trade agreements: It encourages development of a middle, consumer class and leads to a natural evolution toward a more level playing field between nations.

Far from being incompatible with expanded trade, inclusion of basic labor standards in trade agreements improves the capacity of nations to trade fairly with one another. As the International Labor Organization general secretary said recently: "The global economy needs a floor of core labor standards. It could be five years, but labor rules will be there."

Another key difference between the Rangel approach and the Republican-backed legislation involves the role of Congress -- the tools Congress has to ensure the administration is pursuing objectives set forth in a fast-track

bill. Those of us who see the need to shape trade want to ensure an active and continuing role for Congress in setting U.S. trade policy.

That is even more true in the wake of the launch of a new World Trade Organization round at the organization's meeting in Doha. Opening this round was necessary. At the same time, necessity was the mother of vagueness on many key issues, as evidenced by the fact that countries on opposite sides of important issues, from agriculture to renegotiation of anti-dumping laws, went home and claimed their position had prevailed.

The dynamics of the pending negotiations -- the vague elements and the omissions, as well as the tremendous growth in the inclusion of domestic policy issues -- indicate the need for a far more active congressional role. The Rangel bill would ensure that Congress is an active participant rather than just an occasional consultant, as it has been in the past.

President Bush said last week that passage of trade promotion authority would "send an unmistakable signal to our trading partners that the Congress and the administration are united on trade." Unfortunately, such unity on trade can be found only if the White House abandons its current approach, which leads in exactly the opposite direction and instead joins supporters of both expanding and shaping trade.

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